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STATEMENT OF HONORABLE DUNCAN HUNTER PROCUREMENT SUBCOMMITTEE MARKUP FY 2001 DOD AUTHORIZATION BILL

In October 1995, the Chairman of the Joint Chiefs of Staff first advised the Secretary of Defense that in order to recapitalize the U.S. armed forces after a decade of ever-decreasing defense procurement budgets, \$60 billion would be required annually by fiscal year 1998. Over four years after this pronouncement and three years after its subsequent endorsement by the 1997 Quadrennial Defense Review, the fiscal year 2001 budget request finally reaches this level, although it is \$1.5 billion below what was forecast at the time the fiscal year 2000 budget was submitted to the Congress only one year ago—the sixth consecutive year this situation has occurred.

Consequently, it is not surprising that the service chiefs continue to lament the fact that many of their modernization needs continue to go unmet. What is surprising is the fact that, notwithstanding these unmet needs, the future years defense program similarly forecasts reductions to the procurement budgets in fiscal years 2004 and 2005 from those made a year ago while, at the same time, prominent former Department of Defense (DOD) leaders in the current Administration advocate large increases to these budgets.

For example, former Secretary of Defense, William Perry, testified before the committee earlier this year that, “Procurement proposed to you in this budget is \$60 billion in round figures. My own judgment is it probably needs to be perhaps \$70 to \$80 billion...” Also, in testimony before the Defense Subcommittee of the Senate Appropriations Committee just prior to his resignation in March, former Deputy Secretary of Defense, John Hamre, noted, “Even though we got to \$60 billion in our modernization budget, we’re still not really making up for the hole that we dug for ourselves during the ‘90s....actually the second half of the ‘80s and the ‘90s. And we’re going to have to do a better job later on. This is where people said, ‘Well what will it cost to do that?’ I don’t believe it’s \$100 billion a year to do that, but I think it’s in the \$10 billion to \$15 billion more a year for procurement in order to start getting out of that hole.”

Having added nearly \$18 billion to the procurement budget requests of the past five years, this committee obviously shares the views of the two former senior DOD officials. However, during most of this period we have found ourselves to be seriously hampered in advocating a dramatically larger modernization budget by a lack of support from the DOD civilian leadership—including those individuals who now have testified that, indeed, increased procurement funding is required. Consequently, we have

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been unable to sustain the healthy \$5 to \$6 billion adds we made to the procurement accounts it made in fiscal years 1996 and 1997. Nevertheless, fiscal year 2001 marks the sixth consecutive year we have increased the President's budget, and the \$2.6 billion added has again been largely devoted to funding equipment for which, according to the service chiefs, requirements have not been met.

Let me summarize the Chairman's mark:

In addition to the \$2.6 billion add, it makes reductions to the President's request of almost \$900 million, which allows for \$3.5 billion of upward adjustments. Of these adjustments:

—\$2.8 billion are to the procurement accounts;

—\$500 million are to the R&D accounts;

—\$200 million are to the DOE accounts; and

Over \$2.1 billion is for equipment on the Service Chiefs unfunded requirements lists.

The Chairman's mark also approves multiyear procurement requests for the:

—UH/CH-60 helicopter; and the

—M2A3 Bradley Fighting Vehicle.

Finally, the Chairman's mark adds funds for the many programs on the handout provided to each member, which in the interest of time, I won't read.

[In millions of dollars]

Army:

Airborne Reconnaissance Low	31.0
UC-35	8.0
UH-60 helicopters	68.0
TH-67	24.0
Bradley fighting vehicles upgrades	81.0
M11A3 carrier mods	50.0
Small Arms	21.0
Ammunition	68.0
FMTV	35.0
Night vision devices	20.0
Communications equipment	49.0
Heavy Assault Bridge	72.0
Breacher	77.0
Construction equipment	29.0

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Navy/ Marine Corps:

KC-130J	76.0
C-40	54.0
CH-60S	42.0
UC-35	15.0
T-45	33.0
E-2 upgrades	39.0
E/A-6B upgrades	23.0
F/A-18 upgrades	104.0
HH-1/UH-1 reclamation conversion	18.0
Joint stand-off weapon	35.0
Hellfire missiles	55.0
SLAM-ER	30.0
HIMARS	17.0
HMMWV	23.0
Improved recovery vehicle	15.0
Navy Ammunition	22.0
Marine Corps Ammunition	55.0

Air Force:

F-15E	150.0
F-16C	52.0
E-8C—advance procurement	40.0
B-2 upgrades	56.0
F-15 upgrades	100.0
F-16 upgrades	49.0
A-10 upgrades	15.0
C-130 upgrades	16.0
EC-130H Simulator	24.0
Passenger Safety Modifications	20.0
Predator UAV	12.0
C-17 Weapon Systems and Maintenance Trainers	26.0
KC-135 re-engining	52.0
Defense airborne reconnaissance program	108.0
Extended-Range Cruise Missile	86.0
Joint direct attack munition-500 pound variant	25.0
Joint Stand-off weapon	35.0
RC-135 Mission Trainer	16.0

Defense-Wide:

PAC-3 missile	65.0
PAC-2 missile upgrades	65.0

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